Application for Permit to Drill a New Well

Lease G32181 Area/Block El 305 Well Name 001 ST 00 BP 00 Well Type Exploration

Application Status Approved **Operator** 02477 Tarpon Operating & Development, L.L.C.

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Amount: Tracking ID: 74239131867 Tracking ID: 254FUG6K

General Well Information

API Number 177104165000	Approval Date 01/13/2012	Approved By Marty Rinaudo
Date of Request 10/17/2011	Req Spud Date 12/01/2011	Kickoff Point N/A
Water Depth (ft.) 226	Drive Size (in) 24	Mineral Code Hydrocarbon
RKB Elevation 100	Drive Depth (ft.) 500	Subsea BOP No
Verbal Approval Date	Verbal Approval By	

Proposed Well Location

Surface Location

LEASE (OCS) G32181	Area/B	lock E	El 305	Authority Federal	Lease
Entered NAD 27 Data		Calculated	d NAD 27 [Departures	Calculated NAD 27 X-Y Coordinates
Lat: 28.33122139		N	368		X 1932926.384658
Lon: -91.54174389		E	6985		Y -121937.054837
Surface Plan N 9569	Plan Le	ase (OCS)	G32181	Area/Block	EI 305

Bottom Location

LEASE (OCS) G32181	Area/Block El 305				
Entered NAD 27 Data	Calculated NAD 27 Departures	Calculated NAD 27 X-Y Coordinates			
Lat: 28.33122472	N 368	X 1933621.370662			
Lon: -91.53958444	E 6290	Y -121937.101156			
Bottom Plan N 9569 Plan	Lease (OCS) G32181 Area/Block	El 305			

Approval Comments

All operations must be conducted in accordance with the OCS Lands Act (OCSLA), the lease terms and stipulations, the regulations of 30 CFR Part 250, Notices to Lessees and Operators (NTLs), the approved Application for Permit to Drill (APD), and any written instructions or orders of the District Manager.

You must have the most current set of approved BOP drawings on the rig and available for inspection. If there are any revisions or changes made to the approved set of BOP control system drawings, then you must submit a RPD and receive approval for those revisions.

Notify the Lafayette District Drilling Engineer by email when converting to oil base mud.

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Your OSFR coverage expires on 02/15/2012, update your OSFR coverage by the expiration date.

If any formations known to contain oil or gas are encountered in the 22 inch hole section, the 18.625 inch conductor casing shall be set immediately per 30 CFR 250.421 (b).

Cement slurry must contain gas migration, quick transition time, and high compressive strength additives as needed for cementing across any hydrocarbons or encountered hazards. Casing must be centralized across any hydrocarbons or encountered hazards.

A 0.5 ppg drilling margin shall not be exceeded for any casing shoe.

Operation of the plus 10 valve must be in direct communication with the driller at all times.

For a well to be considered permanently abandoned, all annular spaces that communicate with open hole and extend to the mud line must be isolated with a cement plug at least 200 feet long that is set in the annulus, per regulation 30 CFR 250.1715 (a) (6).

You are required to submit the WAR¿s per 30 CFR 250.468(b) and the time requirements outlined in NTL No. 2009-G20. Also enter the as-built casing in the WAR for every wellbore, including each ST and/or BP. Include any significant events as required in the WAR. The EOR is required to be submitted by the time requirements stated in 30 CFR 250.465(b)(3).

A final location plat is required for this well in accordance with 30 CFR 250.465. The location plat must include NAD 83 latitude and longitude as outlined in the reporter¿s handbook for well forms. Also, include the final water depth and RKB measurements.

Hold a pre-spud meeting with the crew to discuss the drilling plan for all shallow hazards. Hold pit drills and abandon ship drill prior to spudding the well and drilling all shallow hazards.

The following cautions apply:

- 1. Possible Shallow Hazards: Exercise caution when working in the vicinity of the existing pipelines. Possible Shallow Biogenic Gas from 880 ft tvd to 1892 ft tvd below mud line, take proper precautions. The shallow sediments consist of clays and silts. The seafloor is underlain by sub-parallel, parallel and variable reflectors. Sonar contact is located within 1000 ft of proposed surface location; and may represent debris from former construction or shipping and fishing operations.
- 2. Possible Lost Circulation Zones: Bright spots at 4528 ft tvd, 6867 ft tvd, 7325 ft tvd, 9050 ft tvd and 9822 ft tvd.

Mitigations:

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Geologic Information

H2S Designation Absent	H2S TVD				
Anticipated Geologic Markers					
Name		Top MD			
8600 Sand		8620			
10300' Sand		10311			

Rig Information

RIG SPECIFICATIONS		ANCHORS	No					
Rig Name	HERCULES 300							
Туре	JACKUP	ID Number	45642					
Function	DRILLING	Constucted Year	1974					
Shipyard	BETHLEHEM	Refurbished Year						
RATED DEPTHS	RATED DEPTHS							
Water Depth	300	Drill Depth	20000					
CERTIFICATES								
ABS/DNV	10/14/2013	Coast Guard	04/06/2012					
SAFE WELDING	AREA							
Approval Date	03/31/2000	District	1					
Remarks	(Formerly Pride Texas)							

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Number	Question	Response	Response Text
1	Will you maintain quantities of mud and mud material (including weight materials and additives) sufficient to raise the entire system mud weight 1/2		1000 sacks barite, 200 sacks gel
2	If hydrocarbon-based drilling fluids were used, is the drilling rig outfitted for zero discharge and will zero discharge procedures be followed?	YES	
3	If drilling the shallow casings strings riserless, will you maintain kill weight mud on the rig and monitor the wellbore with an ROV to ensure that it	N/A	
4	If requesting a waiver of the conductor casing, have you submitted a log to government agency G&G that is with in 500 feet of the proposed bottor	N/A	
5	Will the proposed operation be covered by an EPA Discharge Permit? (please provide permit number in comments for this question)	YES	GMG 290156
6	Will all wells in the well bay and related production equipment be shut-in when moving on to or off of an offshore platform, or from well to we	N/A	Open water location
7	Is the calculated daily volume possible from an uncontrolled blowout of this well greater than the daily volume included in the worst case discharge	NO	

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Permit Attachments

Contact Description

Permit Attachr	nents	
File Type	File Description	Status
Required Attach	iments	
pdf	Drilling prognosis and summary of drilling, cementing, and mud processes	Attached
pdf	Directional Program	Attached
pdf	Proposed Well Location Plat	Attached
pdf	Engineering Calculation	Attached
pdf	BOP stack certification including statement regarding any modifications made since last certification	Attached
pdf	Proposed Wellbore Schematic	Attached
pdf	BOP & Diverter Schematics with Operating Procedures	Attached
pdf	Blind-shear ram capability and certification	Attached
pdf	Pore pressure (PP), Mud Weight (MW), and Fracture Gradient (FG) Plot	Attached
Optional/Supple	emental Attachments	
pdf	+10 Schematic	Attached
pdf	BOP Control Drawings	Attached
pdf	API RP 65	Attached
pdf	PE Certification	Attached
pdf	Mudline Hanger Suspension Equipment	Attached
pdf	Payment	Attached
pdf	Type of cement and additives	Attached
Contacts Infor	mation	
Name	Cindy Bailey	
Company	02477 Tarpon Operating & Development, L.L.C.	
Phone Number	281-578-3388	
E-mail Address	cindy.bailey@jccteam.com	

Application for Permit to Drill a New Well

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Name Kim Sayre

Company 02477 Tarpon Operating & Development, L.L.C.

Phone Number 281-578-3388

E-mail Address kim.sayre@jccteam.com

Contact Description

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Well Design Information

Interval N	umber 1	Type Ca	sing	Name Conductor					
Section Number	Casing Size (in)	Casing Weight (lb/ft)	Casing Grade	Burst Rating	Collapse Rating (psi)	Dep MD	1 1 1		Pressure ppg)
1	18.625	87.5	J-55	2250	630	1000	1000		8.8
GENERAL	GENERAL INFORMATION			NTER INFORM	IATION	ON TEST INFORMATION			
Hole Size (ii	n)	22.000	Туре		Diverter	Annular Test (psi) 0		0	
Mud Weight	(ppg)	9.3	Size (in)	21.25	BOP/Diverter Test (psi) 25		250	
Mud Type C	ode \	Nater Base	Wellhea	d Rating (psi)	3000	Test F	luid Weigh	t (ppg)	9.3
Fracture Gra	adient (ppg)	11.6	Annular	Rating (psi)	0	Casing/Liner Test (psi		t (psi)	250
Liner Top D	epth (ft)	0.0	BOP/Di	BOP/Diverter Rating (psi)		Formation Test (ppg)		ppg)	0.0
Cement Vol	ume (cu ft)	2042							

Interval N	umber 2	Type Ca	sing	Name Surface					
Section Number	Casing Size (in)	Casing Weight (lb/ft)	Casing Grade	Burst Rating	Collapse Rating (psi)	Dep MD			Pressure ppg)
1	13.375	61.0	J55	3090	1560	4000	4000		8.9
GENERAL	GENERAL INFORMATION			NTER INFORM	IATION	TEST INFORMATION			
Hole Size (ii	n)	17.500	Туре		Blowout	Annular Test (psi))	3500
Mud Weight	t (ppg)	9.4	Size (in)	13.625	BOP/Diverter Test (psi) 5		5000	
Mud Type C	ode \	Water Base	Wellhea	nd Rating (psi)	5000	Test Fluid Weight (ppg)		t (ppg)	9.4
Fracture Gr	adient (ppg)	14.2	Annula	Annular Rating (psi) 50		Casing/Liner Test (psi)		t (psi)	2554
Liner Top D	epth (ft)	0.0	BOP/Di	BOP/Diverter Rating (psi) 10		Formation Test (ppg)		pg)	14.2
Cement Vol	ume (cu ft)	5326							

Interval Number 3 Type Casi				ng Name Intermediate							
Section Number	Casing Size (in)	Casing Weight (lb/ft)	Casing Grade	Burst Rating	Collapse Rating (psi)	Dep MD	= -				
1	9.625	53.5	P110	10900	7949	9030	9000		9.6		
GENERAL	GENERAL INFORMATION			NTER INFORM	ATION	TEST INFORMATION					
Hole Size (i	n)	12.250	Туре		Blowout	Annular Test (psi))	3500		
Mud Weigh	t (ppg)	10.1	Size (in)	13.625	BOP/Diverter Test (psi) 75		7500			
Mud Type C	ode (Oil Base	Wellhea	ad Rating (psi)	10000	Test F	luid Weigh	t (ppg)	10.1		
Fracture Gr	adient (ppg)	dient (ppg) 16.9 An		r Rating (psi)	5000	Casing/Liner Test (psi)		t (psi)	6520		
Liner Top D	epth (ft)	0.0	BOP/Di	verter Rating (ps	i) 10000	Forma	tion Test (_l	opg)	16.0		
Cement Vol	ume (cu ft)	2298									

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Interval N	rval Number 4 Type Liner Name P				Produc	tion			
Section Number	Casing Size (in)	Casing Weight (lb/ft)	Casing Grade	Burst Rating	Collapse Rating (psi)	Dep MD	= -		Pressure ppg)
1	7.625	33.7	HC-Q125	11800	8800	10870	10795		14.5
GENERAL	GENERAL INFORMATION			NTER INFORM	ATION	ON TEST INFORMATION			
Hole Size (iı	n)	9.875	Туре		Blowout	Annular Test (psi)		3500	
Mud Weight	(ppg)	15.0	Size (in)	13.625	BOP/Diverter Test (psi)		7500	
Mud Type C	ode (Oil Base	Wellhea	nd Rating (psi)	10000	Test F	luid Weigh	t (ppg)	15.0
Fracture Gr	adient (ppg)	17.8	Annulai	Rating (psi)	5000	Casing/Liner Test (psi)		t (psi)	1389
Liner Top D	epth (ft)	8900.0	BOP/Di	BOP/Diverter Rating (psi) 10000		Formation Test (ppg)		pg)	0.0
Cement Vol	ume (cu ft)	556							

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